

Country. House Concurrent Resolution 69 will do just that.

I urge my colleagues to lend their support to House Concurrent Resolution 69 so that volunteer organizations can provide medical services to those in need.

HAPPY 60TH BIRTHDAY FRANCIS
FRAENKEL

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mrs. LOWEY. Mr. Speaker, I wish to honor and congratulate Francis Fraenkel on his 60th birthday.

The name Francis Fraenkel is synonymous with success. Francis is currently president of Delta Capital Management, Inc., the investment advisory firm he founded in 1992. Prior to establishing DCM, he served as president of Salomon Brothers Asset Management Inc. and as managing director of Salomon Brothers Inc. Before joining Salomon Brothers, Francis served as chairman and chief executive officer of Lehman Management Co., and senior executive vice president and director of Lehman's parent company, Shearson Lehman Brothers.

Francis earned his undergraduate degree in business from Tulane University's School of Business Administration in 1954, and has remained involved with the school ever since. In recognition of his career accomplishments and his continued support of the business school, he was honored as Freeman Business School's Distinguished Alumnus in 1984. Three years later, he was honored again by the school with the first bachelor of Science in Management Award for Excellence in Business. For the past 17 years, Francis has served on the Freeman Business School Council, which has given him the opportunity to help shape the future of the thousands of Freeman graduates who have followed him.

While Francis' commitment to business excellence is clear, work is not the only thing that matters to him. For example, he has volunteered his time at Community Synagogue in Rye for years, and served as president from 1982–1984. Our community is a better place because of him.

Perhaps most importantly, Francis Fraenkel is a dedicated husband and father. He has been married to his wife, Cecele Ross Fraenkel for 43 years. He is the proud father of two daughters, Sally Fraenkel Zuch and Julie Fraenkel Mamis, and the grandfather of Emily and Melanie Zuch and Max Mamis. His example sends a message to us all that we need not choose between career and family. I know his family is proud.

Mr. Speaker, on behalf of the friends, colleagues, and family of Francis Fraenkel, I hereby express my heartfelt congratulations on his 60th birthday and wish him many more to come.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1997

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Ms. ESHOO. Mr. Speaker, I rise today to introduce the Securities Litigation Uniform Standards Act of 1997. This bipartisan bill will finally guarantee a single set of standards for securities litigation for nationally traded securities.

This legislation, introduced with Representative RICK WHITE, is a narrowly focused bill that will address a specific problem created by a loophole in the 1995 Securities Litigation Reform Act. It does not in any way seek to limit the ability of States to enforce its laws. The bill is strictly limited to nationally traded securities traded on the American Stock Exchange, the New York Stock Exchange and NASDAQ.

The legislation clarifies that nationally traded securities, whose regulation is a primary responsibility of the Federal Government, will be subject to Federal securities law, as amended by the 1995 Securities Litigation Reform Act. Among the major reforms instituted by that law were a safe harbor provision that protected forward looking statements, the creation of a single pleading standard that required plaintiffs present some evidence of securities fraud, and a stay of discovery when a motion to dismiss is pending. Unless these important reforms are applied across the board, they are meaningless.

The need for these reforms was clear. Without an enforceable safe harbor provision, companies would continue to fear releasing any forward looking statements that could be grounds for a meritless suit. Without a single standard for pleading, there could be a different requirement, or no requirement, for a plaintiff presenting evidence of grounds for fraud. Finally, without a stay of discovery, companies could be forced to settle out of court to avoid huge legal fees.

Unfortunately, in the last year, we have seen these reforms undermined by a shift to State courts where safe harbor, uniform pleading standards, and stay of discovery do not apply. Two studies, one done by the Securities and Exchange Commission and one by two Stanford professors, have indicated a significant move to file securities class action in State courts, and in some cases, filing parallel cases in both Federal and State courts.

Professors Joseph Grundfest and Michael Perino of the Stanford Law School did extensive research into the nature of class actions suits filed after the 1995 securities litigation reform was implemented.

They found that prior to passage of the 1995 reforms filings in State courts of securities class actions were de minimis. In the past year 26 percent of class actions involving nationally traded securities were filed in State Courts. The shift to the State courts has undermined the safe harbor provisions to the extent that corporate heads still avoid forward looking statements according to a letter sent to me by 181 presidents and CEO's of high technology companies.

Sixty-one Democrats recognized the need to address this problem when earlier this year we sent a letter to President Clinton calling on him to support legislation to establish uniform standards.

We have constructed a narrow bill that seeks to get at the specific problem that has been raised. The bill will require class action lawsuits that involve nationally traded securities to be heard in Federal court. It does not cover public class actions or State enforcement. It affects only class actions, not all private actions. Finally, it avoids needless litigation by making removal to Federal courts the procedure by which these cases will be heard.

I thank Representative WHITE and each of the original cosponsors of this legislation for their work and support, and I look forward to the passage of this needed, balanced legislation in the 105th Congress.

PROTECT OUR VOLUNTEERS SO
THAT THEY MAY CONTINUE TO
SERVE OUR NATION WITHOUT
THE THREAT OF LAWSUITS

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. FARR. Mr. Speaker, I was pleased to support passage of H.R. 911, the Volunteer Protection Act.

A Gallup study found that nearly 20 percent of all nonprofit organizations in the United States have experienced volunteers withholding service or resigning due to fear of liability exposure.

I want to clear up some misconceptions about the bill. H.R. 911 provides only limited tort claim liability protection for nonprofit or governmental volunteers acting in good faith and within the scope of their duties.

H.R. 911 does not shield volunteers from lawsuits for harm caused by willful or criminal misconduct.

Hate crimes committed by groups or individuals are fully liable for their actions and are not exempt from prosecution under the willful or criminal misconduct provision. The committee adopted an amendment clarifying that groups engaged in activities covered under the Hate Crimes Statistics Act are not exempt.

One might wonder if it is necessary for Congress to enact legislation to protect volunteers. It is in the interest of the Federal Government to encourage the continued operation of volunteer service organizations and contributions of volunteers because the Federal Government lacks the capacity to carry out all of the services provided by such organizations and volunteers.

In the spirit of voluntarism, we must find the ways and means to make citizen service the common expectation and the common experience of every American.

This bill will open the door for the many Americans withholding their services due to fear of exposure to liability suits. I am pleased that the House approved H.R. 911 today.

IN MEMORY OF LT. OWEN EUGENE
SWEENEY, JR.

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. EHRLICH. Mr. Speaker, I rise today to pay tribute to a constituent and fallen hero, Lt.